

Message Text

CONFIDENTIAL

PAGE 01 PRAGUE 03090 190857Z

12-L
ACTION EUR-12

INFO OCT-01 ISO-00 PM-03 NSC-05 SP-02 SS-15 RSC-01 L-02

CIAE-00 INR-05 NSAE-00 PRS-01 /047 W
----- 110399

P R 190730Z DEC 74
FM AMEMBASSY PRAGUE
TO SECSTATE WASHDC PRIORITY 7401
INFO AMEMBASSY VIENNA

C O N F I D E N T I A L PRAGUE 3090

E.O. 11652: GDS
TAGS: PFOR, UA, CZ
SUBJECT: AUSTRIAN-CZECHOSLOVAK SETTLEMENT

REF: PRAGUE 3037

1. AUSTRIANS HERE HAVE TOLD US THAT THE FINAL MONE-
TARY SUM IN THEIR SETTLEMENT WITH THE CZECHS, WHICH WILL
BE SIGNED THIS WEEK IN VIENNA BY THE FOREIGN MINISTERS, WAS
ONE BILLION AUSTRIAN SCHILLINGS. THIS IS THE SUM THE AUS-
TRIANS HAVE BEEN DEMANDING FOR FIVE YEARS (AS OPPOSED TO THEIR
INITIAL CLAIM EIGHTEEN YEARS AGO, OF SIXTEEN BILLION AUS-
TRIAN SCHILLINGS -- ADMITTEDLY A RATHER INFLATED FIGURE).
THEY REGARD IT AS A FAIR SETTLEMENT.

2. THIS AMOUNT WOULD BE REPAID AT RATE OF FOUR AND ONE-HALF
PERCENT OF AMOUNT OF CZECHOSLOVAK EXPORTS TO AUSTRIA. FOR
PRESENT YEAR, THIS WOULD BE (BASED ON THREE BILLION AS
EXPORTS TO AUSTRIA) 157,000,000 AUSTRIAN SCHILLINGS AND THIS
IS PEGGED AS MINIMUM ANNUAL PAYMENT. THEY ANTICIPATE
THAT TRADE WILL INCREASE STEADILY, SO THAT TOTAL AMOUNT
WOULD BE PAID OFF IN FOUR TO FIVE YEARS. IF TRADE SHOULD
NOT INCREASE FOR SOME RASON, MINIMUM AMOUNT WILL BE
RECONSIDERED.

3. BESIDES THIS PAYMENT (WHICH AUSTRIAN GOVERNMENT WILL
DISTRIBUTE TO CLAIMANTS, ACCORDING TO ITS OWN CALCULATIONS),
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PRAGUE 03090 190857Z

A NUMBER OF OTHER CLAIMS ARE SATISFIED, E.G. LAND HOLDINGS

UP TO 13 HECTARES, ABOUT 120 HOUSES OWNED BY AUSTRIANS IN CZECHOSLOVAKIA (VALUE ABOUT 200,000 AS), BOND HOLDINGS, ETC.

4. AS PART OF THE SETTLEMENT, BOTH COUNTRIES WILL IN FAIRLY NEAR FUTURE RAISE THEIR LEGATIONS TO EMBASSIES. PRESENT AUSTRIAN MINISTER IS ALREADY DUE FOR DEPARTURE AT END OF YEAR, SO HIS SUCCESSOR MAY COME IN AS AMBASSADOR, OR IN ANY EVENT WILL BECOME AMBASSADOR IN NEAR FUTURE. (AUSTRIANS REPORT THAT AFTER ALL THESE YEARS OF FOOT-DRAGGING, CZECHS ARE NOW PRESSING THEM TO MOVE UP TO EMBASSY LEVEL AT EARLIEST OPPORTUNITY).

5. AUSTRIANS FEEL THEY HAVE GOT A GOOD SETTLEMENT. AS TO WHY THE CZECHS CAME AROUND TO AUSTRIANS' MINIMUM FIGURE OF ONE BILLION AS AFTER YEARS OF BARGAINING, AUSTRIANS FEEL THAT POLITICAL SITUATION WAS IMPORTANT, AND THAT FOREIGN MINISTER CHNOUPEK, FOR ONE THING, BADLY NEEDED A "SUCCESS" AT THIS TIME PARTICULARLY IN VIEW OF THE HOLD-UP OF THE US-CZEC SETTLEMENT. COMMENT: EMBASSY AGREES THAT CHNOUPEK MAY WELL HAVE PUSHED HARD FOR EARLY AGREEMENT (HE HAD TOLD AUSTRIANS SOME MONTHS AGO HE WANTED TO GET AN AGREEMENT THIS YEAR), AND WE BELIEVE FREEZE OF HIS HOPES FOR US AGREEMENT MAY HAVE PLAYED A LARGE ROLE IN HIS THINKING. SHERER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CLAIMS, AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974PRAGUE03090
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740369-0208
From: PRAGUE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741222/aaaaasqp.tel
Line Count: 85
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 74 PRAGUE 3037
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 28 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 MAR 2002 by shawdg>; APPROVED <28 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: AUSTRIAN-CZECHOSLOVAK SETTLEMENT
TAGS: PFOR, EFIN, CZ, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005